

Daniel Nielsen, Arbitrator

In the Matter of the Arbitration of an Interest Dispute Between

**THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS**

and

**THE ILLINOIS FRATERNAL ORDER OF
POLICE LABOR COUNCIL**

Case S-MA-10-375 – University of Illinois – Chicago – Sergeants and Lieutenants Unit
Wages for the Period September 1, 2010 – August 31, 2015

Appearances:

The Illinois Fraternal Order of Police Labor Council, by **Gary Bailey**,
5600 S. Wolf Rd, Suite 120, Western Springs, IL 60558, appearing on
behalf of the Union.

Clark Baird Smith, LLP by **R. Theodore Clark**, Attorney at Law, 6133
North River Road, Suite 1120, Rosemont IL 60018, appearing on behalf of
the University.

ARBITRATION AWARD

The Board of Trustees of the University of Illinois (hereinafter referred to as the University or the Employer) and the Illinois Fraternal Order of Police Labor Council (hereinafter referred to as the FOP or the Union), selected the undersigned to serve as the arbitrator of a dispute over the terms of the collective bargaining agreement for sergeants and lieutenants at the University's Chicago campus. A hearing was held on June 14, 2012, at which time the parties presented such testimony, exhibits, other evidence and arguments as were relevant. Post-hearing briefs were submitted, which were exchanged through the undersigned on August 7, 2012. The parties granted an extension to October 10th for the issuance of the Award.

Issues and Offers

The Union represents a unit of three lieutenants and thirteen sergeants at the University's Chicago campus. They have reached stipulations on all but one item, and have requested that those stipulations be incorporated into this Award. The sole disputed issue is wages for the period from September 1, 2012 through August 31, 2015. The University and the Union have, since the mid-1990's, used a system for wage increases by which the parties negotiate a 3% floor for the wage increase, and provide for the possibility of an additional wage increase if the University's police officers negotiate increases higher than the floor in the supervisors' contract. In that case, the wage increase would match the increase given to the officers. The Union, in general, proposes to continue that format. The University proposes to transition to a "me-too" relationship on wage increases with the police officers' bargaining unit.

In summary form, the Union's final offer is:

Sept. 1, 2010:	2.90%
Sept. 1, 2011:	2.50%, with possible adjustments based on Police Increase ¹
Sept. 1, 2012:	2.50%, with possible adjustments based on Police Increase
Sept. 1, 2013:	2.75%, with possible adjustments based on Police Increase
Sept. 1, 2014:	3.00%, with possible adjustments based on Police Increase

Also in summary form, the University's final offer is:

Sept. 1, 2010:	2.90%
Sept. 1, 2011:	3.00%
Sept. 1, 2012:	Same increase as the University Police Officers
Sept. 1, 2013:	Same increase as the University Police Officers
Sept. 1, 2014:	Same increase as the University Police Officers

As the dispute concerns economic issues, the arbitrator is confined to selecting one or the other of the final offers, without modification.

¹ The Police Officers received an increase of 3.00% effective September 1, 2011, so the Union's offer for the second year is effectively 3.00%, the same as the University's.

Statutory Criteria

Section 14(h) of the Illinois Public Labor Relations Act, 5 ILCS 315 provides the specific factors for an arbitrator to use when analyzing the issues in an interest arbitration dispute:

[T]he arbitration panel shall base its findings, opinions, and order upon the following factors, as applicable:

- (1) The lawful authority of the employer.
- (2) Stipulations of the parties.
- (3) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - (A) In public employment in comparable communities.
 - (B) In private employment in comparable communities.
- (5) The average consumer prices for goods and services, commonly known as the cost of living.
- (6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received.
- (7) Changes in any of the following circumstances during the pendency of the arbitration proceedings.
- (8) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

All of the criteria have been considered in arriving at this Award, although given the

nature of the dispute, not every criterion is discussed.

The Arguments of the FOP

The Union argues that its offer is preferable by every measure traditionally used by interest arbitrators. The most compelling factor in the view of most arbitrators is that of external comparability. The external comparable grouping for the University law enforcement personnel has uniformly been held to be police bargaining units at other state universities. There are eleven such institutions, but they provide no guidance as to this dispute. Four have unrepresented sergeants. Two are not settled with their sergeants. One has only a 2010-11 settlement. The remaining four have settlements for 2010-11 and 2011-12. The average of the settlements across these institutions is 0.03% higher than the offers of the Union and the University in this case:

Institution	2010-11 Increase	2011-12 Increase	2012 and beyond
Chicago State University	4.0%	not settled	n/s
Eastern Illinois State University	1.0%	1.0%	n/s
Governors State University	2.0%	3.0%	n/s
Illinois State University	2.5%	3.0%	n/s
Northeastern Illinois University	Sergeants and above not represented		
Northern Illinois University	Sergeants and above not represented		
Southern Illinois University-Carbondale	not settled	n/s	n/s
Southern Illinois University-Edwardsville	Sergeants and above not represented		
University of Illinois-Springfield	6.4%	4.0%	n/s
University of Illinois-Urbana	not settled	n/s	n/s
Western Illinois University	Sergeants and above not represented		
Average	3.18%	2.75%	
University of Illinois-Chicago	2.90%	3.00%	

Given that external comparability offers no useful data, the Union points the arbitrator to the other statutory criteria.

The cost of living has relevance in this dispute, since the average of the most commonly cited indexes for the first two years of the contract show an inflation rate of 5.1%, while the parties agree that the appropriate increase in pay across those years is 5.9%, an average real increase of less than half a percent per year. Projecting the available data out for 2011-12 reveals a likely inflation rate of 2.10% by September. The

Union has proposed a wage increase of 2.50%, mirroring the pattern from prior years. The University's offer cannot be compared, since it is only a theoretical number. Given the choice of analyzing the appropriateness of a real number and a theoretical number as against a real cost of living figure, the arbitrator must favor the Union's proposal. It is the only concrete proposal before him.

The Union's proposal should also be judged preferable as against the interests and welfare of the public and the financial ability to pay. The public has many interests and the welfare of the public is served in myriad ways. While the University holds that it suffers from financial stress, that mere assertion proves nothing of value in this proceeding. Surely the University must be prudent with public money, but that is always true and is true of every public employer. Equally important is the need for a public university to maintain a well-qualified staff of security professionals. That serves the interests and welfare of the public in a far more direct way than does any hyperbolic appeal to hard times. There is no evidence of an inability to pay the modest increases sought by the Union, and the arbitrator should therefore favor the Union's final offer.

The other factor that weighs heavily in the Union's favor is that of "traditional factors in collective bargaining." Interest arbitration is a process in which the status quo is favored over breakthrough proposals. It is generally held that a party seeking to alter the status quo through arbitration must show that (1) the existing system is not working as anticipated; (2) the existing system has created operational hardships for the employer or equitable hardships for the union; and (3) the party seeking to maintain the status quo has resisted attempts to address the issue. In this case, there is no evidence to establish any of these factors. The proposal at issue is a system of calculating wage increases. There is nothing to suggest that the parties have had any difficulty calculating or implementing wage increases. Nor is there anything to show some hardship resulting from the current system. Finally, there is no evidence that the issue has resisted resolution at the bargaining table, other than the fact of the current impasse.

The Union's proposal continues the system the parties themselves have devised and used since 1996. It is a system that has resulted in a wage adjustment over the floor in every year. It is more than merely cosmetic. It has real value. The only change proposed by the Union is that in the past, the parties agreed to a 3% floor per year. The

Union proposes to lower that floor in four of the five years, in recognition of the impact the economic downturn has had on the public treasury.

The University seeks to establish a new system, based on not negotiating at all with the sergeants and lieutenants. The University proposes instead that this bargaining unit waive all of the factors recognized by the statute, abandon the bargaining table on wages altogether, and simply let the police officers negotiate their wage increase. In effect, the University seeks to have the arbitrator strip the Union of its role as the bargaining agent. It does this without even offering a quid pro quo for this draconian change.

The statute has specific criteria which govern the outcome of interest arbitration. Arbitrators have recognized that obedience to the statute requires the granting of Union proposals for wage increases where they are more reasonable, as measured by the statute. This is such a case. The University seeks a dramatic and unjustified change, one that is contrary to all of the relevant criteria and is contrary to the established principles of interest arbitration. Accordingly, the arbitrator should award the Union's more reasonable position.

The Arguments of the University

The University takes the position that its offer more closely conforms to the statutory criteria, and more realistically reflects the economic condition of the State of Illinois. The first two years of the contract are not in dispute. The University has proposed a 2.90% across the board increase for the first year, and 3.00% in the second year. The Union's offer yields exactly the same increases. These reflect the increases negotiated with the police officers' bargaining unit. In final three years of the contract, however, the Union seeks to guarantee a minimum raise plus anything more that the officers receive. The University proposes to simply match the increases across the two units.

The University has, in the past, routinely agreed to a 3% floor for the police supervisors, with an escalator. Notably, the floor has never come into play. The wage increase has always exceeded 3%. In the wake of the Great Recession, however, the notion of a floor and an escalator is not realistic. Wage increases well below 3% are the

norm in the public sector, and over this contract term, it is possible and even likely that the minimums proposed by the Union will exceed the raises negotiated for the rank and file officers. This despite the fact that the Union, recognizing that 3% per year is not viable, has slightly lowered the floor in the third and fourth years of the contract, before reverting to 3% in the fifth and final year. Even at 2.5% in the third year and 2.75% in the fourth year, the Union's proposal is well above what can be expected in voluntary settlements. Interest arbitrations, inflation projections, national settlement data – all show that increases of 2% or less are more the norm. The University notes that the only settlement in the out years among the external comparables – a late settlement between Eastern Illinois University and the FOP for 2012-15 – provides for wage increases of 1.25% per year. The Union brings a 3% mindset to a 2% world.

There is simply no justification for the Union's proposed floors on wage increases in the third, fourth and fifth years of this contract. These employees are the highest paid sergeants in the University system, by a wide margin. As of September 1, 2011, sergeants were paid \$93,038. The next highest among the comparable group was \$86,736. Moreover, Sergeants in this unit go to the top step immediately upon promotion, as compared to some campuses where decades of service are required to reach the top. There is nothing to indicate wage compression between the sergeants and the police officers that requires something more for the supervisors' unit. The University's offer would preserve the existing wage differential, while the Union's would very likely increase it. The University notes that an offer preserving the existing relationships between ranks is to be preferred, absent evidence that those relationships are somehow unjustified.

The University points out that the Union proposes minimum increases amounting to 8.25% over the 2012-15 contract years. If one examines the increases in the CPI-W (the index favored by the Union) for the most recent four year period for which data is available, it shows an increase of 5% nationally and 3.5% for the Chicago Metropolitan Area. Over that same period, the employees in the FOP bargaining unit, and the police officers' bargaining unit, received pay increases of 13.93% on a compounded basis, and 13.26% on a non-compounded basis. They have done exceedingly well. At this point, there is no recognized forecaster suggesting that the CPI will increase by more than 2% annually in the foreseeable future. The legislature listed

the cost of living as a separate and independent criterion, and the offer which best tracks it is the offer to be preferred. The University's offer will almost certainly result in a five year increase more closely reflecting the changes in the CPI. Moreover, many citizens, including many retirees on Social Security, experience the cost of living as the primary driver of their income. In 2010 and 2011 those retirees received no increase. In 2012, they received a 3.6% increase. Over the first three years encompassed by this contract, Social Security recipients averaged 1.2% in increases. In just the first two of those years, employees in this unit received 5.9%.

National data shows that the median increase for public employees in 2011 was 0.0%. In the first half of 2012, that figure was 1.0%. The Employment Cost Index for state and local government employees has been steady at roughly 1.0% for an appreciable period of time. Federal employees are in the second year of a two year wage freeze. The employees in this bargaining unit are already guaranteed 5.9% in the first two years of the contract, with more to come based on the police officers' agreement for the final three years. Nothing in the current bargaining environment supports their proposal for guarantee of 8.25% in the final three years of this contract.

The University draws the arbitrator's attention to the criterion that mandates consideration of the interests and welfare of the public, and the employer's ability to pay. The University does not claim an inability to pay, but the arbitrator must recognize the serious financial straits of the University, which is dependent upon funding from the State of Illinois. Simply put, the State is on the verge of financial disaster, and there is no reason to think that it will be averted. The budget is seriously out of balance, the pension system is critically underfunded, revenues are falling, local governments are in need of assistance and there is little prospect of federal aid. The implications for funding the University are clear. Given this outlook, there is no rational basis on which this bargaining unit can possibly justify a demand to outstrip the police officers' bargaining unit.

The Union made several arguments in favor of maintaining the current system, none of which have merit. The increases for police officers have traditionally been based on an average of the increases for officers in area communities. The average is determined by a salary survey. The Union argues in support of its proposed floor that

the police officers and the University might change this system in their next round of bargaining, which would work to the detriment of the Sergeants and Lieutenants. This ignores the fact that the University and police officers have already agreed, in the current contract, that wage levels for the successor agreement “shall take into account the rate of compensation generally paid for similar work in the locality in which the work is to be performed.” Certainly there might be a change in the formula, just as there might be a change in many things in negotiations. However, whatever specific system is used to arrive at new wage levels would still have to account for the historic consideration of area wages. In any event, the negotiations between the police officers and the University cannot change the historic status quo in this unit. In every year since 1996, the supervisors have received precisely the same increase as the police officers. The Union seeks to ignore that practical reality now because it faces, for the first time, the very real possibility that the police officers will settle for less than what the FOP wants.

The Union also asserted at hearing that it feared that failing to specify a floor would lead to delays in receiving wage increases because of the time involved in conducting the salary survey for police officers. There is absolutely no evidence to support this claim. The only evidence of how long it takes to finish the survey was the representation by University counsel that it is typically completed by September 1 or within a couple of weeks of that time.

In summary, the University asks the arbitrator to insure that this much smaller bargaining unit does not lock in increases in excess of those received by the police officers’ unit. For the past 16 years there have been nominal floors in place for wage increases, but they have never come into play, and in real world terms the salary increases for the sergeants and lieutenants have precisely tracked the increases negotiated by the police officers. The University proposes to continue the pattern of increases.

Discussion

This case in part represents a struggle to define the status quo. The party proposing to alter the status quo through interest arbitration generally has the burden to justify the change. In every year from 1996 through August 2010, these parties have voluntarily agreed to a wage provision establishing a minimum increase of 3% across the board, with an escalator clause to match the police officers' settlement if it was higher than 3%. In every year between 1996 and August 2010, the police officers' settlement has been higher, and the actual wage increase for the supervisors has been precisely the same as that received by the police officers. Both parties maintain that they are seeking to maintain the status quo in the proceeding. The Union asserts that it is maintaining the status quo by proposing a floor for wage increases with a mechanism to account for the possibility that the police officers will receive more. The University asserts that it is maintaining the status quo by granting the sergeant and lieutenants the same increase as that received by the police officers. A threshold question in this case, then, is what constitutes the status quo?

The University's argument that the status quo is effectively a "me too" clause with the police officers is ingenious and well put, but it flies in the face of what the parties repeatedly agreed to in bargaining. The University is correct that in practice the supervisors never received more than the police officers, but the language used in the contract clearly contemplated that result. In fact, the only variation between the increases received by the two units would have to have been in favor of the supervisors' unit. The language did not admit the possibility of an increase below 3%, no matter what the police officers agreed to. These are sophisticated parties, and if they intended to grant identical increases to both bargaining units, they knew how to do so. The University's final offer in this case demonstrates that. But they did not do so, and I therefore find that the Union's proposal as to the formula for wage increases constitutes the status quo.

The party seeking a change in the status quo bears a burden of demonstrating its necessity. Here the University argues that the format of the status quo must change in order to preserve the substance of the status quo, and more particularly, it points out

that there has never been an occasion, since at least 1996 through the second year of this proposed contract in 2011-12, when the supervisors have received a pay increase greater than the police officers. The University projects that the minimums proposed by the Union in this case are high enough to make a change in that historic pattern likely.

I agree that there is no compelling reason for the supervisors to receive more than the officers. These supervisors are very well paid relative to their peer group, and there is no evidence of compression between the ranks within the Department. On the other hand, as noted above, the possibility of the supervisors receiving more than the police officers has been expressly and intentionally built in to every contract since 1996, so it cannot be said to be a result that has been anathema to these parties or somehow beyond their contemplation. The University's goal is reasonable, but it is not an absolute imperative. There are many bargaining relationships where different units receive different raises, or receive the same raises through bargaining without resorting to a formal 'me too' provision.

That element – the formal 'me too' provision - is the greater concern in evaluating the alternative put forth by the University. It does not merely guard against a higher than warranted increase for the supervisors. This is not a proposal to put in place a 1% floor in the existing format, or even to scrap the escalator clause and negotiate set increases of 1% per year or 2% per year, or whatever number the University believes to be prudent. Instead the University proposes to remove the supervisors' right to negotiate their own wages, and to transfer that power to a different labor organization, one with its own agenda and priorities.² Certainly the escalator clause has always had the potential to put the final wage increase in the hands of the police officers, but only if it represents an increase over what the supervisors have already bargained. That is a far different thing from telling the supervisors that they will have no input to their wage increase. The former is a fairly common means of easing settlement by reassuring the unit settling first that later settlements will not eclipse its deal. The latter forces a complete abdication of wage bargaining by the exclusive bargaining representative.

Ideally interest arbitration is supposed to yield results that would reflect what a

² This is not some purely philosophical problem. The "me too" proposed by the University is limited to wage increases, and does not account for the potential trade-offs in other areas that might induce the police officers to agree to a lower than normal wage settlement.

voluntary settlement would have looked like, had a voluntary settlement been possible. There is a certain amount of guess work involved in that, since by definition a voluntary settlement was not reached, but those guesses are informed by the statutory criteria. Given the uncertain nature of the University's offer for the third through fifth years, it is nearly impossible to analyze under most of the criteria. The one criterion that does apply to the University's offer is "other factors ... normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment." The likelihood of a party agreeing to cede its right to bargain over wages to a third party fits comfortably within the scope of this criterion,³ as does the propriety of forcing that outcome through interest arbitration, a generally conservative and non-innovative process. The change proposed by the University is dramatic, and the justification offered – the need to avoid a larger increase for the supervisors than is granted to the police officers – can be addressed under both the existing format or through a traditional wage offer. Consideration of the format of the wage provision strongly favors the offer of the Union.

There are, of course, two aspects to the wage offers. In addition to the format, there is the question of the amount of the wage increase. The University's offer, past the first two years, is by its nature impossible to calculate. It depends on what the police officers receive. The Union's is less imprecise. In the final three years, it provides 2.5%, 2.75% and 3%. This is a departure from the status quo of 3%, but as the Union points out, it need not justify a change in the status quo if the change is in the University's favor. The fact that it need not justify a change in the status quo does not mean that it need not justify the specific increases it has proposed; merely that it does not face any special burden in doing so.

In general, I agree with the University that an average increase of 2.75% per year is somewhat difficult to justify. Inflation is currently running well below 2%, but that number is quite volatile and it changes sharply depending on what period one wishes to look at, and what index is used. In the first two years of the contract, it averaged

³ I recognize that there are units that are bell cows in bargaining, and that once they settle other units fall in line. In those cases, however, the units know what the settlement is before they either fall into line or decide to take their chances on a different settlement. The University's proposal requires the supervisors to fall into line with a settlement that has not yet been negotiated.

between 2.5% and 3.0%.⁴ Over the past three years it has averaged between 2.1% and 2.5%, again depending upon the index used.⁵ The national economy shows signs of improvement, but that improvement is slow. More to the point, the State of Illinois, the root of most of the University's funding, faces enduring fiscal problems, and those problems have been visited upon the University. The only negotiated increase among the comparable units at other State universities for the period 2012-15 is 1.25% per year at Eastern Illinois State University.⁶ Given the tiny size of this bargaining unit relative to the overall University, there is obviously not an inability to pay argument to be made, nor is there even a difficulty in paying what the Union seeks. However, the fact that a requested increase is easily within the Employer's means does not mean it is reasonable.

The Union's offer is somewhat rich for the current economic environment. The University's offer may be rich, it may be under-market or it may be exactly right. It depends upon the judgments made by the negotiators in the police officer negotiations (or by an arbitrator should those negotiations reach an impasse). Historically, the police officers' settlement has exceeded the inflation rate, topping 3% per year for 15 of the past 16 years. Were that pattern to continue, the FOP's offer would actually be slightly preferable under most of the economic factors listed in the statute, including the cost of living. The University's criticism of the Union's offer assumes that the police officers' settlement will be modest. Certainly one could reasonably suppose that it will be more modest than in the past, but that is just a supposition. Under the current salary survey system of calculating pay raises, the University has very little control over the amount of the wage increases received by its police officers. The evidence of 2012 indicates that those bargains will be probably be lower than in the past, but the salary survey is an annual affair, and the conditions in 2012 would not necessarily predict the increases for 2013 and 2014. Even if the University demanded direct negotiations over salary, it has already agreed to continue to give weight to area law enforcement settlements in the next round of bargaining. Its ability to control the wage increase would clearly be

⁴ September 2010 through August 2012 - 5.07% for the CPI-W Chicago Metro index; 5.47% for CPI-U; and 5.97% for the CPI-W.

⁵ September 2009 through August 2012 - 6.41% for the CPI-W Chicago Metro index; 6.67% for CPI-U; and 7.45% for the CPI-W.

⁶ It is worth noting, though, that the 1.25% across the board settlement at Eastern Illinois University represents an upward trend in their settlement pattern. The increases in the two preceding years were 1% across the board.

strengthened, but there would still be more than the normal constraints. It is simply not possible to say whether the University's offer is preferable to the Union's, because it is not possible to say what it is.

The Union's final offer nods in the direction of fiscal conditions by going below the traditional 3% in two of the final three years of the contract. Nonetheless it exceeds the current projections for inflation, and the single settlement among the comparable bargaining units for the disputed period. The settlement at EISU represents a higher wage increase than that unit received in the prior contract, but it still averages less than half of what the Union proposes. The supervisors in this bargaining unit are well paid relative to others, and they have no demonstrated need for a greater than average increase in salary. Nor is there anything that warrants a higher settlement for the supervisors than that received by the rank and file. There is no economic data to justify the level of increase guaranteed by the Union's offer. It is not outrageous but it is unreasonable. By the same token, there is no data at all by which to assess the University's offer, other than to say that it would maintain parity with the police officers' bargaining unit, at some unknown level. In that sense, it would be supported by considerations of internal comparability.

The choice then comes down to an offer which is higher than it should be and an offer that may or may not turn out to be more consistent with economic conditions, but which breaks new ground by taking wage bargaining out of the Union's hands and putting it into the hands of the bargainers for the a different labor organization.

Neither offer is reasonable. The University's offer will probably – but not certainly - yield wage increases more consistent with prevailing conditions, but it does so at the price of ousting the Union from its own wage negotiations. On balance, I conclude that the final offer of the Union should be preferred, principally because whatever damage it may do is easier to repair in future negotiations.

AWARD

On consideration of all of the statutory criteria, and the record as a whole, the 2010-2015 collective bargaining agreement shall incorporate the provisions of the predecessor agreement, as modified by the tentative agreements and the wage provision proposed by the Fraternal Order of Police, to wit:

Article XIII

Section 4. Supplemental Wage Increase

- a) Effective September 1, 2010, increase salaries across-the-board by 2.9%.
- b) Effective September 1, 2011, increase salaries across-the-board by 2.5%. If the University Labor Agreement which covers Police Officers provides a salary increase in excess of 2.5% for September 1, 2011 then any such excess over 2.5% will be included in the September 1, 2011 hourly rates set forth in Appendix "A" for employees covered hereunder and a Supplemental Wage Agreement which reflects these wage increases will be executed between the parties.
- c) Effective September 1, 2012, increase salaries across-the-board by 2.5%. If the University Labor Agreement which covers Police Officers provides a salary increase in excess of 2.5% for September 1, 2012 then any such excess over 2.5% will be included in the September 1, 2012 hourly rates set forth in Appendix "A" for employees covered hereunder and a Supplemental Wage Agreement which reflects these wage increases will be executed between the parties.
- d) Effective September 1, 2013, increase salaries across-the-board by 2.75%. If the University Labor Agreement which covers Police Officers provides a salary increase in excess of 2.75% for September 1, 2013 then any such excess over 2.75% will be included in the September 1, 2013 hourly rates set forth in Appendix "A" for employees covered hereunder and a Supplemental Wage Agreement which reflects these wage increases will be executed between the parties.
- e) Effective September 1, 2014, increase salaries across-the-board by 3.0%. If the University Labor Agreement which covers Police Officers provides a salary increase in excess of 3.0% for September 1, 2014 then any such excess over 3.0% will be included in the September 1, 2014 hourly rates set forth in Appendix "A" for employees covered hereunder and a Supplemental Wage Agreement which reflects these wage increases will be executed between the parties.

**APPENDIX "A"
TO THE
AGREEMENT BY AND BETWEEN**

**THE BOARD OF TRUSTEES OF THE UNIVERSITY OF
ILLINOIS**

AND

**ILLINOIS PEACE OFFICERS LODGE NO. 10, FRATERNAL
ORDER OF POLICE (SUPERVISORS)**

	Hourly Wage / Effective Date				
Police Sergeant	09/01/10 \$43.73	09/01/11 \$44.83*	09/01/12 \$45.95*	09/01/13 \$47.21*	09/01/14 \$48.63*
Police Lieutenant	\$48.93	\$50.15*	\$51.41*	\$52.82*	\$54.40*
Watch Commander	\$48.18	\$49.40*	\$50.66*	\$52.07*	\$53.65*

* Subject to the provisions of Article XIII, Section 4 of the Labor Agreement.

TENTATIVE AGREEMENTS

**ARTICLE VI
WORKING RULES AND CONDITIONS**

Section 8. Uniforms and Equipment.

(f) Clothing Allowance.

Effective September 1, 2010 2006, employees covered in this Agreement who are assigned to Special Supervisory Service will receive a clothing allowance of per year, as listed below, after Specialized Supervisory Service for ninety (90) days as follows:

- (a) Effective September 1, 2010 - \$ 925.00
- (b) Effective September 1, 2011 - \$ 950.00
- (c) Effective September 1, 2012 - \$ 975.00
- (d) Effective September 1, 2013 - \$1000.00
- (e) Effective September 1, 2014 - \$1050.00

This allowance will be paid once per year. Employees who have served

less than one (1) year but more than ninety (90) days as of the termination of this agreement will receive a prorated share of the clothing allowance based upon the percentage of time in the Special Supervisory Services.

ARTICLE XIII

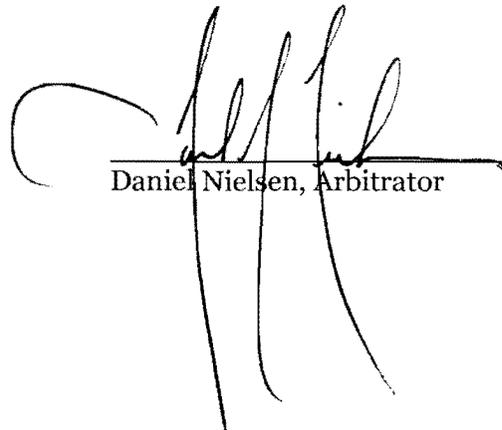
PERIOD COVERED, STATUS DURING NEGOTIATIONS AND COMMENCEMENT OF NEGOTIATIONS

Section 1. Period Covered and Notice to Terminate or Modify Agreement.

This Agreement shall become effective at the start of the first shift beginning after 12:01 a.m., September 1, 2010 and remain in full force and effect through the completion of the last shift beginning prior to 11:59 p.m. August 31, 2015. This Agreement shall automatically be renewed thereafter from year to year unless either Party notifies the other, in writing, at least ninety (90) days prior to its expiration date of a desire to modify or terminate it, in which event negotiations will be undertaken no later than thirty (30) days thereafter without undue delay.

The Arbitrator will retain the official record and jurisdiction over the dispute until the parties notify him that any issues related to the implementation of the interest arbitration award have been resolved.

Signed this 10th day of October, 2012.



Daniel Nielsen, Arbitrator